

Message Text

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FM AMEMBASSY WELLINGTON
TO SECSTATE WASHDC 4799
INFO AMEMBASSY CANBERRA
AMEMBASSY PARIS
AMCONSUL AUCKLAND POUCH

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PARIS FOR USOECD

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SUBJECT: INVESTMENT CLIMATE STATEMENT FOR NEW ZEALAND

1. SUMMARY: NEW ZEALAND WELCOMES FOREIGN DIRECT INVESTMENTS WHICH WILL BENEFIT THE COUNTRY. NO DISCRIMINATION IS MADE AS TO THE COUNTRY-OF-ORIGIN OF THE INVESTMENT AND THERE IS NO BIAS - EITHER OFFICIAL OR PUBLIC - AGAINST INVESTMENTS OF US ORIGIN. HOWEVER, THERE HAS BEEN SOME UNREST IN THE PAST OVER TAKEOVER PROPOSITIONS BY LARGE MULTI-NATIONAL CORPORATIONS. INVESTMENTS WHICH WILL GIVE THE FOREIGN PARTY LESS THAN 25 PERCENT CONTROL ARE APPROVED AUTOMATICALLY. THOSE IN WHICH FOREIGN OWNERSHIP WILL BE 25 OR GREATER ARE SUBJECT TO PRIOR REVIEW BY THE GOVERNMENT AND WILL BE APPROVED OR DISAPPROVED SOLELY ON THE BASIS OF THEIR NET CONTRIBUTION TO NATIONAL GOALS AND OBJECTIVES. THE OVERSEAS INVESTMENT COMMISSION IN THE RESERVE BANK OF NEW ZEALAND IS THE POINT OF CONTACT FOR ALL FOREIGN INVESTMENT
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PROPOSALS. END SUMMARY.

2. BACKGROUND:
(A) CAREFUL RECORDS ON THE LEVEL OF FOREIGN INVESTMENT IN NEW ZEALAND HAVE NEVER BEEN KEPT AND EVEN TODAY THE PUBLISHED OFFICIAL STATISTICS SHOWING ANNUAL NET MOVEMENTS ARE GENERALLY CONSIDERED TO BE ONLY ESTIMATES.

INFORMED SOURCES SUGGEST THAT TOTAL OVERSEAS PRIVATE DIRECT INVESTMENT AMOUNTS TO SOME 2.6 BILLION DOLLARS AND THE US-ORIGIN COMPONENT OF THAT TOTAL AT 550 MILLION DOLLARS IS 21 PERCENT. FOREIGN INVESTMENT HAS PLAYED A MAJOR ROLE IN NEW ZEALAND'S ECONOMIC HISTORY AND CONTINUES TO PLAY A MAJOR ROLE TODAY. NET INVESTMENT FROM ALL MAJOR SOURCES INCLUDING THE UK, AUSTRALIA, THE USA CANADA, AND THE EEC (OTHER THAN THE UK) HAVE GROWN STEADILY IN RECENT YEARS. FOREIGN DIRECT INVESTMENTS ARE CONCENTRATED HEAVILY IN WHOLESALE AND RETAIL TRADING, CHEMICALS AND MINERALS (ESPECIALLY PETROLEUM), BANKING AND INSURANCE AND PULP AND PAPER PROCESSING.

(B) NEW ZEALAND HAS TRADITIONALLY BEEN A MAJOR PRODUCER OF PASTORAL PRODUCTS AND AN INTERNATIONALLY INSIGNIFICANT SUPPLIER OF MANUFACTURED GOODS. THE COUNTRY'S ALMOST TOTAL DEPENDENCE ON PASTORAL EXPORTS SERVED IT WELL UNTIL RECENT YEARS, WHEN IT HAS BEEN PROGRESSIVELY CUT OFF FROM THE UK MARKET FOLLOWING BRITAIN'S ENTRY INTO THE EEC, HAS SUFFERED FROM PROTECTIVE BARRIERS AGAINST AGRICULTURAL IMPORTS IN OTHER MARKETS TO WHICH IT HAS TRIED TO TURN, AND HAS BEEN THE VICTIM OF HIGHLY VOLATILE PRICES FOR ITS PRINCIPAL EXPORT PRODUCTS INTERNATIONALLY. THE PRESENT GOVERNMENT, WHILE FULLY ACKNOWLEDGING THE CONTINUED DEPENDENCE ON THE AGRICULTURAL SECTOR, HAS UNCLASSIFIED

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DECIDED TO STRENGTHEN THE MANUFACTURING SECTOR OF THE ECONOMY AND TO ENCOURAGE THE GROWTH OF MANUFACTURED EXPORTS.

(C) THIS IS, HOWEVER, A SMALL COUNTRY WITH LIMITED NATURAL RESOURCES, LIMITED DOMESTIC CAPITAL RESOURCES AND A LIMITED CAPACITY TO GENERATE TECHNOLOGY. AS A RESULT THERE IS A VERY REAL ROLE FOR FOREIGN INVESTMENT IN NEW ZEALAND AND PARTICULARLY IN THE EXPANSION AND DIVERSIFICATION OF MANUFACTURING INDUSTRIES AND THE INFRASTRUCTURE BASE. NEW ZEALAND DOES NOT HAVE A HIGHLY-DEVELOPED INDUSTRIAL SECTOR AND THERE ARE GAPS IN THE INDUSTRIAL INFRASTRUCTURE. THESE GAPS ARE ESPECIALLY NOTEWORTHY ON A REGIONAL BASIS AND THE WEAKNESSES ARE GREATEST IN THOSE VERY AREAS INTO WHICH GOVERNMENT ENCOURAGES INDUSTRIES TO MOVE FOR REGIONAL DEVELOPMENT PURPOSES. REGIONAL DEVELOPMENT POLICY ATTEMPTS TO STEM THE FLOW OF BUSINESSES AND JOBS AND PEOPLE FROM SOUTH TO NORTH AND FROM RURAL TO URBAN AREAS (SEE PARA 4 F). MANY RURAL AREAS LACK ADEQUATE TRANSPORTATION FACILITIES AND INDUSTRIAL SKILLS. COMMUNICATIONS ARE GENERALLY GOOD IN THE TOWNS AND CITIES

BUT MAY BE FOUND WANTING,IF THEY CAN BE FOUND AT ALL,
IN REMOTE LOCATIONS.

(D) NEW ZEALAND CONSISTS OF TWO MAJOR AND SEVERAL VERY
MINOR ISLANDS. THE POPULATION IS CLUSTERED IN FIVE
MAJOR CITIES, ALL BUT ONE OF THEM COASTAL,AND PERHAPS
A DOZEN TOWNS. OTHERWISE HUMAN HABITATION TAKES THE
FORM OF SMALL VILLAGES OFTEN WIDELY-SCATTERED AND
INDIVIDUAL HOMESTEADS REMOTELY SITUATED. HALF OF NEW
ZEALAND'S THREE MILLION PEOPLE ARE IN THE FIVE CITIES,
ANOTHER SIXTH IN THE TOWNS AND ABOUT ONE MILLION ARE

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SCATTERED LOOSELY AND SPARSELY AROUND THE COUNTRYSIDE.
TRANSPORTATION BY AIR AMONG THE CITIES IS GOOD. SURFACE
TRANSPORT BETWEEN THE TWO MAJOR ISLANDS IS POOR AND
THE GOVERNMENT'S POLICY ON SURFACE TRANSPORT ON LAND HAS
HEAVILY FAVORED THE RAILROADS. TRUCK CARRIAGE IS
LIMITED TO 90 MILES; LONGER SHIPMENTS MUST BE BY RAIL.
THE ABSENCE OF FREE COMPETITION AND EFFORTS TO CONTAIN
RAILWAYS EXPENDITURES (THE RAILWAYS ARE ADMINISTERED BY
A GOVERNMENT DEPARTMENT) HAVE RESULTED IN A GENERALLY
POOR STANDARD OF ON-LAND SURFACE TRANSPORT AND GENERALLY
POOR SERVICE TO THE CUSTOMER.

(E) INDUSTRIAL UNREST (MEASURED BY THE NUMBER OF STRIKES
AND MAN-HOURS LOST AS THE RESULT OF STRIKES) REACHED
A POST-WORLD WAR II HIGH IN 1977. WHILE A NUMBER OF
THE STRIKES WERE POLITICALLY MOTIVATED

WAGES AND SUPPLEMENTAL BENEFITS WERE THE
PREDOMINANT ISSUES AS WORKERS ENDEAVOURED TO KEEP PACE
WITH THE CONTINUED HIGH RATE OF INFLATION. MEAT
PROCESSING, TIMBER PRODUCTS AND TRANSPORTATION WERE
AMONG THE HARDEST HIT INDUSTRIAL SECTORS. (INCIDENTS
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OF INDUSTRIAL ACTION IN 1977, WHILE HIGH BY TRADITIONAL
NEW ZEALAND STANDARDS, ARE STILL BELOW THE US AVERAGE.)

(F) ON THE BRIGHTER SIDE, NEW ZEALAND HAS A GOOD RECORD
OF POLITICAL STABILITY AND ITS ATTITUDE TOWARD FOREIGN
DIRECT INVESTMENT HAS BEEN CONSTANT OVER MANY YEARS.
WHILE INDUSTRIAL UNREST ABOUNDS, MANAGEMENT HAS NOT
ALWAYS BEEN AS ENLIGHTENED IN ITS APPROACH TO LABOR
RELATIONS AS MIGHT HAVE BEEN THE CASE. THERE ARE FIRMS
WHICH HAVE ENJOYED EXCELLENT LABOR RELATIONS OVER MANY
YEARS, BUT THERE ARE MANY WHICH HAVE NOT. THE COUNTRY
HAS AN EDUCATED POPULACE AND A BASICALLY SOUND, IF
TROUBLED, ECONOMY. THE PUBLIC SERVICE HAS AN IMPRESSIVE
RECORD OF INTEGRITY AND WHILE THERE ARE EXTENSIVE
CONTROLS ON THE ECONOMY, THEY ARE GENERALLY ADMINISTERED
FAIRLY AND RATIONALLY. ONE OF THE MAJOR ENCOURAGEMENTS
TO MANY OVERSEAS FIRMS TO INVEST IN NEW ZEALAND HAS
BEEN THE BARRIERS TO IMPORTS WHICH HAVE BEEN IN FORCE, IN
SOME CASES, FOR DECADES. WHERE SUCH BARRIERS APPLY,
INVESTMENT OFFERS ONE WAY OVER THEM.

(G) THE ECONOMY IS CURRENTLY IN A PERIOD OF CONSIDERABLE
UNCERTAINTY. INFLATION AND UNEMPLOYMENT ARE DISTURBINGLY
HIGH; PRODUCTIVITY IS DISTURBINGLY LOW; THE FUTURE IS
VERY UNCLEAR. THE HEALTH OF THE DOMESTIC ECONOMY IS IN
LARGE MEASURE A BAROMETER OF THE EXTERNAL ACCOUNTS AND
THEY IN TURN ARE HEAVILY INFLUENCED BY THE ACTIONS OF NEW
ZEALAND'S MAJOR TRADING PARTNERS. HOWEVER, EVEN IF THOSE
NATIONS EXPERIENCE STRONG ECONOMIC UPTURNS, NEW ZEALAND
STILL FACES THE PROBLEM OF BEING LARGELY A SUPPLIER
OF PASTORAL PRODUCTS AGAINST WHICH IMPORT BARRIERS ARE
MAINTAINED IN VARIOUS FORMS BY MANY COUNTRIES. THAT
WORLD TRADE MIGHT SUDDENLY INCREASE DOES NOT NECESSARILY
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MEAN THAT NEW ZEALAND'S EXPORTS WILL ALSO INCREASE.

3. LEGISLATION, REGULATION, POLICY:

(A) THE BASIC LEGISLATION GOVERNING FOREIGN INVESTMENT IN NEW ZEALAND IS THE OVERSEAS INVESTMENT ACT OF 1973 WHICH CREATED THE OVERSEAS INVESTMENT COMMISSION AND ATTACHED IT ADMINISTRATIVELY TO THE RESERVE BANK OF NEW ZEALAND. THE COMMISSION WAS EMPOWERED TO:

- CONSIDER PROPOSALS CONCERNING OVERSEAS INVESTMENT
- DETERMINE WHETHER SUCH PROPOSALS ARE IN THE NATIONAL INTEREST AND WHETHER THEY SHOULD BE APPROVED OF DIS-APPROVED
- DECIDE ON THE COMPATIBILITY OF SUCH PROPOSALS WITH CURRENT GOVERNMENT POLICY
- ADVISE THE GOVERNMENT ON MEANS TO ENSURE THAT THE FULLEST POSSIBLE BENEFITS ACCRUE TO NEW ZEALAND FROM SUCH INVESTMENTS
- SUPERVISE THE LEVEL AND EXTENT TO WHICH OVERSEAS ENTITIES OWN OR CONTROL PROPERTY IN NEW ZEALAND AND
- ADVISE THE GOVERNMENT ON ALL MATTERS RELATING TO OVERSEAS INVESTMENT.

(B) IN 1974 THE OVERSEAS INVESTMENT REGULATIONS WERE ISSUED TO IMPLEMENT THE ACT. THEY PROVIDE, INTER ALIA, THAT THE COMMISSION'S CONSENT IS REQUIRED BEFORE ANY OVERSEAS ENTITY MAY ACQUIRE SHARES IN A NEW ZEALAND COMPANY IF THOSE SHARES TOGETHER WITH OTHERS HELD GIVE THE OVERSEAS ENTITY THE RIGHT TO 25 PERCENT OR MORE OF THE VOTING POWER IN THE COMPANY. SIMILAR RULES APPLY TO ACQUISITIONS BY OVERSEAS ENTITIES OF BUSINESS ASSETS VALUED IN EXCESS OF 100,000 NEW ZEALAND

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DOLLARS. (THE EXCHANGE RATE CURRENTLY FLUCTUATES AROUND 1:1 PARITY.) FURTHER, NO OVERSEAS COMPANY MAY REGISTER OR CARRY ON BUSINESS IN NEW ZEALAND WITHOUT THE PRIOR CONSENT OF THE COMMISSION.

(C) BASIC GOVERNMENT POLICY ON OVERSEAS INVESTMENT, WHICH IS ENFORCED BY THE COMMISSION, WAS OUTLINED BY THE MINISTER OF FINANCE IN 1973. THAT STATEMENT, TO WHICH THE CURRENT GOVERNMENT HAS SUBSCRIBED, IDENTIFIED THE GOVERNMENT'S MAJOR OBJECTIVES IN DEALING WITH OVERSEAS INVESTMENT PROPOSALS AS BEING (1) TO ENSURE THAT NEW ZEALAND'S NATURAL AND HUMAN RESOURCES ARE DEVELOPED TO THE BENEFIT OF NEW ZEALAND AND (2) TO MAXIMIZE THE BENEFIT TO NEW ZEALAND FROM THE INTERNATIONAL TRANSFER OF CAPITAL AND TECHNOLOGY WHILE MAKING CERTAIN THAT OWNERSHIP AND CONTROL OF NEW ZEALAND RESOURCES IS NOT UNWISELY OR UNNECESSARILY TRANSFERRED TO OVERSEAS RESIDENTS. A SERIES OF DETAILED CRITERIA TO BE CONSIDERED IN EACH CASE WERE SET FORTH BY THE MINISTER. THESE CONCERNED SUCH FACTORS AS:

- THE LEVEL OF TECHNOLOGY TO BE INTRODUCED

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- THE STAGE IN THE PRODUCTION PROCESS TO BE ACHIEVED
- ENVIRONMENTAL ACCEPTABILITY
- REGIONAL DEVELOPMENT AND EMPLOYMENT GAINS
- INCREASED NEW ZEALAND ACCESS TO OVERSEAS RESEARCH
- CONTRIBUTION TO PRODUCTIVITY
- EXPORT POTENTIAL
- EFFECT OF THE PROPOSAL ON DOMESTIC COMPETITION
- RELATIVE ROLE OF THE NEW ZEALAND OPERATION IN THE FIRM'S TOTAL INTERNATIONAL ACTIVITY
- TAX YIELD TO NEW ZEALAND

AND

- COSTS OF SERVICING AND INVESTMENT.

(D) IN ADDITION, THE RESERVE BANK ENFORCES NEW ZEALAND'S EXCHANGE CONTROL REGULATIONS AND THEREBY EXERCISES CONTROL OVER TRANSFERS OF MONEY OR SECURITIES OUTSIDE NEW ZEALAND, BORROWING OVERSEAS OR BORROWINGS TO BE REPAYED IN FOREIGN CURRENCY, ROYALTY AGREEMENTS WITH OVERSEAS ENTITIES ETC. OTHER LEGISLATION SPECIFICALLY RESTRICTS ABSENTEE OVERSEAS OWNERSHIP OF LAND, ESPECIALLY OF FARM LANDS, PARKS, OFFSHORE ISLANDS AND RECREATIONAL LANDS.

4. WHAT IT ALL MEANS

(A) IN ADMINISTERING THESE VARIOUS GUIDELINES, THE GOVERNMENT OF NEW ZEALAND DOES NOT DISCRIMINATE AMONG INVESTMENT PROPOSALS ACCORDING TO THE COUNTRY OF ORIGIN; NOR DOES PUBLIC OPINION MAKE SUCH DISCRIMINATION. HOWEVER, THERE IS A VAGUE UNEASE IN THE PUBLIC MIND OVER THE EXTENT OF FOREIGN "DOMINATION" OF THE ECONOMY, DESPITE THE VERY EXTENSIVE DIRECT OR INDIRECT CONTROLS MAINTAINED BY THE GOVERNMENT OVER PRICES, PROFITS, WAGES, UNCLASSIFIED

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IMPORTS, BORROWING ETC. PARTICULARLY SENSITIVE IN THE PUBLIC EYE ARE PROPOSALS FOR TAKEOVERS WHERE THE FOREIGN PARTY WILL ACQUIRE A STRONG POSITION IN A GIVEN ACTIVITY AND THIS APPLIES ALL THE MORE SO WHERE THAT ACTIVITY IS PERCEIVED AS BEING PARTICULARLY IMPORTANT TO THE NATIONAL WELFARE. THERE IS NO IMPORTANT PREFERENCE FOR ONE FORM OF INVESTMENT OVER ANOTHER, ALTHOUGH THE APPLICANT WHOSE PROPOSITION INCLUDES LOCAL PARTNERS IN THE FORM OF A JOINT VENTURE MAY FIND HIS PROPOSAL SOMEWHAT MORE WARMLY RECEIVED THAN A COMPARABLE ONE DEVOID OF LOCAL PARTICIPATION.

(B) FOR INVESTMENT PROPOSALS WHICH WILL GIVE EFFECTIVE CONTROL OF LESS THAN 25 PERCENT, APPROVAL IS AUTOMATIC. PROPOSALS SHOULD BE PRESENTED TO THE COMMISSION BUT THEIR PROCESSING IS PURELY PRO FORMA.

(C) TWENTY FIVE PERCENT CONTROL CONSTITUTES A TRIGGER POINT AT AND BEYOND WHICH A FORMAL APPLICATION IS REQUIRED. EACH SUCH APPLICATION WILL BE EVALUATED ON ITS OWN MERITS. THE COMMISSION CONSISTS OF PRIVATE MEMBERS AND REPRESENTATIVES OF SELECTED GOVERNMENT DEPARTMENTS. OTHER GOVERNMENT AGENCIES ARE CONSULTED AS NEEDED BUT ADVICE IS SOUGHT FROM THE PRIVATE SECTOR ONLY WITH THE EXPRESS CONSENT OF THE APPLICANT.

(D) IN PRACTICAL TERMS, PRESENT COMMISSION POLICY HOLDS THAT THERE IS SUFFICIENT ACTIVITY AND SUFFICIENT FOREIGN INVOLVMENT IN INSURANCE, BANKING AND FINANCE. MINING AND ENERGY EXPLORATION ARE SENSITIVE AREAS, WITH DECISION-MAKING OFTEN BEING PRE-EMPTED BY THE CABINET. AS NOTED ABOVE, ACQUISITIONS OF LANDS ARE TIGHTLY CONTROLLED.

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(E) THE FAVORED SECTOR FOR FOREIGN DIRECT INVESTMENT IS CLEARLY MANUFACTURING. AMONG MANUFACTURING PROPOSITIONS THOSE WHICH OFFER THE OPPORTUNITY TO EMPLOY NEW ZEALAND WORKERS OR RESOURCES, TO INTRODUCE NEW TECHNOLOGIES AND/OR TO INCREASE EXPORT EARNINGS WILL BE REGARDED WITH PARTICULAR FAVOR. HOWEVER, THERE ARE NO FIXED UNALTERABLE RULES AND WITHIN ITS MANDATE, THE COMMISSION DELIBERATELY RESERVES MAXIMUM FLEXIBILITY IN EACH CASE.

(F) FIRMS WHOSE INVESTMENTS WILL BRING BENEFITS TO NEW ZEALAND EITHER IN TERMS OF REGIONAL DEVELOPMENT OR OF EXPORT GROWTH WILL FIND THEMSELVES ABLE TO BENEFIT FROM GOVERNMENT INCENTIVES. ALLOWANCES OF UP TO 20 PERCENT OF THE COST OF INSTALLING NEW PLANT AND MACHINERY IN LESS-INDUSTRIALISED REGIONS ARE AVAILABLE. A WIDE RANGE OF AIDS TO THE EXPORTER, INCLUDING TAX INCENTIVES, NEW-MARKET DEVELOPMENT GRANTS, INCENTIVES FOR THE EXPORTER OF SERVICES, EXPORT MANUFACTURING INVESTMENT ALLOWANCES, EXPORT SUSPENSORY LOANS (WHICH ARE FORGIVEN IF SPECIFIED EXPORT GOALS ARE ATTAINED), SALES TAX EXEMPTION FOR MACHINERY TO BE USED IN EXPORT PRODUCTION, SPECIAL BONUS
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IMPORT LICENSES FOR SUCCESSFUL EXPORTERS, ETC CAN ALSO RENDER DIRECT INVESTMENTS IN NEW ZEALAND MORE ATTRACTIVE. INVESTORS WHO EXPORT TO AUSTRALIA WILL BENEFIT FROM TARIFF PREFERENCES AVAILABLE ON MANY PRODUCTS UNDER THE AUSTRALIA-NEW ZEALAND FREE TRADE AGREEMENT. ASSISTANCE WITH EXPORT MARKETING AND A FINANCING CAPABILITY NOT DISSIMILAR TO THE US EXPORT-

IMPORT BANK ARE ALSO AVAILABLE TO THE WOULD BE EXPORTER. THERE IS NO PROGRAM COMPARABLE TO OPIC IN THE UNITED STATES.

(G) THERE ARE NO FIXED RESTRICTIONS ON THE PERCENT OF ROYALTY PAYABLE IN A LICENSING ARRANGEMENT. HOWEVER, THERE IS A STRONG PREFERENCE FOR AGREEMENTS LIMITED TO FIVE YEARS' DURATION OR SUBJECT TO REVIEW AFTER FIVE YEARS. LUMP-SUM PAYMENTS ARE NOT WELL-REGARDED BY THE COMMISSION BUT AGAIN, EACH PROPOSAL IS REVIEWED INDIVIDUALLY.

(H) THE COMMISSION ALSO INSISTS THAT A BOARD OF DIRECTORS ACCURATELY REFLECT THE RELATIVE ROLLS OF FOREIGN AND DOMESTIC CAPITAL. ONLY IN THE CASE OF 50/50 VENTURES HOWEVER, IS IT REQUIRED THAT THE COMPOSITION OF A BOARD PRECISELY REFLECT THE OWNERSHIP PROPORTIONS. NEW ZEALAND FIRMS RETAIN THE RIGHT TO APPOINT MANAGERIAL PERSONNEL AS THEY SEE FIT, SUBJECT OF COURSE, TO IMMIGRATION POLICY IN THE CASE OF FOREIGN NATIONS. EACH APPLICATION IS EVALUATED ON ITS MERIT.

(I) THE REMITTANCE OF INTEREST, PROFITS AND DIVIDENDS TO FOREIGN INVESTORS AND THE REPATRIATION OF NON-RESIDENT CAPITAL, INCLUDING CAPITAL GAINS AND CAPITALISED PROFITS, ARE PERMITTED PROVIDED SOLELY THAT THE ORIGINAL UNCLASSIFIED

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INVESTMENT ENTERED THE COUNTRY THROUGH APPROVED CHANNELS. A DOUBLE TAXATION AGREEMENT BETWEEN NEW ZEALAND AND THE UNITED STATES PROVIDES INTER ALIA THAT INDUSTRIAL OR COMMERCIAL PROFITS OF A US ENTERPRISE OPERATING IN NEW ZEALAND ARE SUBJECT TO NEW ZEALAND TAX. A CREDIT FOR THAT TAX IS GIVEN BY THE US INTERNAL REVENUE SERVICE.

5. CONCLUSION

(A) THE GOVERNMENT OF NEW ZEALAND HAS BEEN CONSISTENT IN ITS BASIC APPROACH TO FOREIGN INVESTMENT FOR SEVERAL YEARS AND THE BASIC OUTLINES OF ITS ATTITUDE MAY BE EXPECTED TO REMAIN CONSTANT FOR THE FORESEEABLE FUTURE. INVESTORS WHOSE PROPOSITIONS WILL SERVE NEW ZEALAND'S INTERESTS MAY BE ASSURED OF A WILLING AUDIENCE AT THE OVERSEAS INVESTMENT COMMISSION WHERE THE NATIONAL INTEREST WILL REMAIN THE SOLE DETERMINANT IN THE CONSIDERATION OF INVESTMENT APPLICATIONS.

(B) IN ALL CASES THE APPLICANT SHOULD PROVIDE FULL DETAILS OF THE PROPOSED INVESTMENT TO THE OVERSEAS INVESTMENT COMMISSION, C/O RESERVE BANK OF NEW ZEALAND, PO BOX 2498, WELLINGTON, NEW ZEALAND. SELDEN

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Subject: INVESTMENT CLIMATE STATEMENT FOR NEW ZEALAND
TAGS: EINV, EFIN, EIND, BEXP, NZ
To: STATE
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